



State of Utah

Department of
Natural Resources

Division of
Oil, Gas & Mining

ROBERT L. MORGAN
Executive Director

LOWELL P. BRAXTON
Division Director

OLENE S. WALKER
Governor

GAYLE F. McKEACHNIE
Lieutenant Governor

February 10, 2004

TO: Lowell P. Braxton, Director *L.P.B.*

THRU: Mary Ann Wright, Associate Director *MAW*

THRU: D. Wayne Hedberg, Permit Supervisor *DWH*

FROM: Doug Jensen, Senior Reclamation Engineer *DJ*

SUBJECT: Request for Authorization for Partial Release of Reclamation Surety, Certificate of Deposit, Plateau Resources Limited, Tony M/Lucky Strike Mine, M/017/001, Garfield County, Utah

On November 19, 2003, the Division performed a site inspection of the Tony M/Lucky Strike mine site per the operator's request that we check the status of recent reclamation work that had been performed (see memo attached). About two thirds of the reclamation work was completed at this time. On November 27, 2003, we received the operator's request for partial release of the \$141,800 reclamation surety held for this site. We were not able to process this request immediately because we did not have the concurrence of the BLM and SITLA who had not witnessed the recent reclamation work.

On January 29, 2004, a joint agency (BLM, SITLA, & DOGM) site inspection was performed to ensure that grading and seedbed preparation were adequate before equipment and personnel were gone. As stated in the attached inspection memo, the Division inspector was pleased with the work that has been done and he felt the portion of the bond that covers backfilling and grading could be released. The Division needs to retain adequate bond to revegetate the site. Mr. Stokes (SITLA) and Mr. Rakow (BLM) agreed the bond could be reduced. All parties (BLM, SITLA and DOGM) were satisfied with the reclamation work performed and agreed that no additional reclamation work should be required. The operator understands and agrees that a portion of this bond will need to be retained until the revegetation success standards are met and full release can be granted. Because this area does not have a lot of precipitation, revegetation may be difficult, but the operator has maximized the chances for revegetation success.

Memo to Director
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First Interstate Bank of Commerce is presently holding a \$141,800 Certificate of Deposit # [redacted] for the benefit of the State of Utah, Division of Oil, Gas and Mining for reclamation of this site. We have calculated the reclamation cost to cover the reseeding efforts, if necessary, to be \$25,600. If you are in agreement with granting partial release of this site, please sign the attached letter authorizing and directing First Interstate Bank of Commerce to release enough monies from the surety to no less than \$25,600.

Thank you for your consideration of this request.

*A gme
LPB 2-13-04*

DJ:jb

Attachments: Inspection memos w/photos, Letter to Bank authorizing partial release
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